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## MANAGEMENT REFORM

In 1998, in document GOV/INF/1998/18-GC(42)/INF/7, the Secretariat reported on a wide range of management reforms which had been initiated at the beginning of that year. This present report details developments since that time.

### I. INTRODUCTION

The pace of change in the world is increasing and this accelerated rate of change relates also to the nuclear agenda. In this environment, the Agency must react in a timely manner to the varying needs and interests of Member States. It is for this purpose that the Secretariat has been pursuing a process of internal reform aimed at ensuring that the Agency operates as one house, with a shared vision and common objectives, implementing a programme which meets the current requirements of Member States.

One of the changes that has occurred in the nuclear world has, of course, been the stagnation or even slight decline over the past few years in the relative contribution of nuclear to the overall energy mix. Nonetheless, prospects in some parts of the world for a revival are real — especially in connection with the need to avoid greenhouse gas emissions and the potential use of small and medium sized power reactors for desalination purposes.

The peaceful applications of nuclear techniques for sustainable development — especially in the fields of food and agriculture, health, water resources management and environmental monitoring — have been growing in importance and their contribution to human welfare is being increasingly recognized. The Agency continues to be the focus for technology transfer in these areas.

The beneficial uses of nuclear technologies — and of nuclear power — demand a universal development and application of safety principles and standards. In this area, much still needs to be done.

The Agency's role in assuring the peaceful use of nuclear energy through the verification of non-proliferation undertakings also continues to be of fundamental significance. And this role may expand in the pursuit of wider arms control initiatives.

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In relation to all these areas of its mandate, the Agency is constantly re-examining both the relevance of its programme and the efficiency and effectiveness with which it can deliver that programme.

## II. VISION AND STRATEGY

### Medium Term Strategy

For over 40 years the Agency has been the focal point for nuclear co-operation and the vision embodied in the Statute remains valid. Against this background and in order to further enhance policy formulation and development, the Secretariat developed a Medium Term Strategy (MTS) in consultation with Member States and with input from external review groups. The MTS details the Agency's longer term goals and sets out the specific objectives for the five years 2001–2005, with a vision of where the Agency expects to be at the end of that period. It takes a 'one-house' approach in which all relevant activities, independent of their organizational location, are integrated under the three pillars of the Agency's work: technology, safety and verification.

Since its issuance in November 1999, the MTS has been instrumental in giving Agency managers a strategic vision on which to build their component parts of the Agency's programme. A sense of common purpose is facilitated by goals that often cut across major programmes and the internal organizational structure and are independent of the source of funding. Furthermore, the inclusion of performance indicators in the MTS is an assurance that progress towards achieving these goals can be measured objectively.

### Results Based Programming and Budgeting

As part of the reform process and in order to increase the relevance of the Agency's programme, a decision was taken to move to a results based approach. This change represents the latest step in an evolution of the way the Agency prepares its programme and budget and is taking place in the context of a number of recent developments:

- Proposals to introduce full *biennial programming* were approved by the Board of Governors in 1999. A practical result will be greater flexibility to modify the programme for the second year of a biennium. Nonetheless, any significant changes will, of course, be reported to the Board.
- To permit the Agency to convert to full *biennial budgeting*, the General Conference last year gave approval for the necessary change in the relevant Article of the Statute. The Agency is now awaiting ratification by the required number of Member States to bring this decision into effect.
- Pending this, an *interim budgeting arrangement* has been approved by the Board of Governors under which regular programme funds for the first year of a biennium can be carried forward into the second year.
- Meanwhile, through the introduction of a *one time single year programme and budget for 2001*, the Agency is synchronizing its biennial programming cycle with

those of other United Nations system organizations as from the 2002–2003, i.e. the Agency's cycle will, like those of other organizations, begin with an even numbered year. This synchronization will facilitate improved programming and co-ordination in relation to joint activities with other United Nations organizations.

The Director General decided to move forward with the introduction of the results based programming approach for the 2002–2003 biennium, so as to avoid the delay of its implementation until the next biennium, 2004–2005. Documents GOV/2000/13 ("The Agency's New Approach to Programme Development") and GOV/2000/10 ("Initial Planning for the Programme and Budget 2002–2003") presented this approach to the Board of Governors. While there were some questions and concerns in the Board regarding programme details, the proposed adoption of the results based approach was welcomed by all groups of Member States.

Under the new approach, programme formulation and the estimation of financial resource requirements have been decoupled to allow both programme managers and Member States to focus initially on programme content, based on Member State needs, and on the outcomes expected. A consultation document for 2002–2003 has now been distributed to Member States and detailed discussions will take place beginning 28 September. These discussions will be followed by the estimation of the resource requirements for the programme.

The Agency hopes to gain the following advantages from a results based approach:

- Increased transparency.
- Increased participation of Member States in programming, leading to better identification of their needs and wishes.
- Better priority setting.
- Improved evaluation of Agency programme performance.
- Elimination of overlaps within the Agency, with other international bodies having common programme interests, and with relevant private sector bodies.

### **III. OVERHAULING HUMAN RESOURCES**

#### **Restructuring**

A number of internal changes have been made to help produce a more streamlined structure in the Secretariat.

In connection with the new approach to programming, an Office of Programme Support and Evaluation was established within the Department of Management. This acts as a central point for co-ordinating programming throughout the house and for eventual evaluation of the outcomes of the programme. It has already been pivotal in the derivation of the new results based programme proposals.

The various functions of external relations and policy co-ordination have also been regrouped in an Office of External Relations and Policy Co-ordination which is responsible under the guidance of the Director General for the conduct of external relations and for ensuring Agency wide policy co-ordination.

In line with the results based approach and with efforts to strengthen the internal oversight and managerial accountability of the Agency, the Director General has initiated a comprehensive review of Agency-wide oversight activities and the role of Agency managers in effectively and efficiently utilizing resources to achieve programme results. This review will provide direction for the Agency's oversight and accountability framework, including the identification of appropriate roles and responsibilities of managers, further measures to ensure the independence of oversight functions and the interrelationship between managers and oversight units.

As previously reported to Member States, a further element in the review of the functioning of the Secretariat has been the creation of a Programme Co-ordination Committee, which considers issues at the Deputy Director General level. Since its first meeting in April 1998, the Committee has contributed significantly to expediting initiatives for improvement and promoted a 'one house' approach. In particular, it has improved synergy between the regular budget and technical co-operation programmes.

In 1998, the Secretariat examined the structure and functions of the Conference Service Section, the Publishing and Printing Sections and the Division of Languages with a view to identifying options which could improve the delivery of these services. As a result, a new Division was created to integrate these functions into a single structure which would more clearly reflect the link between meeting planning and implementation, and linguistic and other related services. Working processes have now been reviewed and the interaction with other parts of the Secretariat has been facilitated by means of an integrated Intranet site with information on all services provided by the Division.

### **Human Resource Planning Process**

In line with the results based approach, the Secretariat initiated in 1998 a process for comprehensive human resource planning to bring staffing levels into direct association with the programme needs and to increase control over staff costs. Formalized discussions with Division Directors are now held on additional human resource requirements and other personnel actions to be taken during a biennial period. A specific questionnaire format (covering staff utilization, staffing changes, personnel actions and resource trends and requirements) is used. The immediate results of this comprehensive planning process has been a reduction in paperwork for Divisional managers, interactive planning leading to a better assessment of needs, better understanding of personnel policies, and fewer and more focused submissions for additional human resources.

### **Staff Survey**

At a Senior Management Conference called by Director General in 1999, the need was recognized for greater staff feedback in determining the current working climate in the Secretariat and in assessing the degree of job satisfaction and staff morale. To facilitate this

process, Staff Council and management jointly prepared a questionnaire. The aim was to identify shortcomings and to correct them where possible, and to ensure that the Secretariat's multicultural working environment is free from discrimination and conducive to high performance and commonality of purpose. Preliminary indications are that staff generally perceive work morale as being high. However, equally important is that staff highlighted specific concerns such as a perceived lack of career development and an excessive workload. A summary of the results of the survey will be communicated to all staff within the next month or so and will serve as a benchmark for further improvements in staff-management relations.

### **Management Certificate Curriculum**

The Agency's Medium Term Strategy (MTS) identified "Excellence in Management" as a primary goal. The Management Certificate Curriculum (MCC) was initiated as an integral part of the continuing effort to achieve this goal and establish a common and consistent approach to management in the Secretariat. It is also closely linked with the on-going reform in the areas of programme planning and implementation, prioritizing of financial resources and streamlining of human resources management procedures. It is conceived as an interactive process which allows managers to participate in and influence the broader reform effort. The curriculum relies to a large extent on in-house staff for the course development since the main focus is on management practices specific to the Agency.

All managers are required to complete the MCC and recently recruited staff members with management responsibilities are expected to participate in the MCC within the first three months of employment.

So far, over seventy staff members have completed the training. The response from participants has been positive. The course has not only helped in creating an understanding for management improvements in the Agency and provided a forum to share ideas, but it has also brought managers from different areas closer together, facilitating co-operation across Divisional/Departmental lines.

## **IV. COMMUNICATION AND INFORMATION**

### **Outreach policy**

One of the most important changes to which the Agency is responding is the change in constituencies. As a result of widespread privatization and deregulation, industry and non-governmental organizations are becoming more important players. In 1999, the Director General approved a new and more flexible policy regarding interaction between Secretariat staff and external contacts, including opinion leaders, civil society and the media, and aimed at reaching out to both traditional and non-traditional partners. The purpose is to ensure that the Agency is recognized as a forward looking, accessible, responsive and authoritative organization within the United Nations family in its particular area of expertise.

An encouraging illustration of the value of the new approach was provided by the large number of non-governmental participants in the Scientific Forum held during the regular session of the General Conference in 1999. And, later in the year, there was a positive

response to a meeting arranged with senior managers from nuclear research centres (NRCs). The meeting provided a forum for an exchange of views about the future work of NRCs and the challenges they are facing. The Agency was regarded as having an important role in assisting NRCs to shape, evaluate and fulfil their missions.

In another initiative, the Secretariat convened in January of this year a forum of representatives from the nuclear industry. Some twenty groups participated, with a fairly wide geographic spread and range of specializations. Topics discussed included: technological innovation; safety and regulation in a liberalized environment; the economic competitiveness of nuclear power; and nuclear waste and the back end of the fuel cycle.

### **Process Improvement**

Within the context of the Agency's focus on results based programming and budgeting and in conjunction with other work already under way, the overall objective of process improvement is to raise effectiveness, efficiency and service levels by analysing and redesigning management and administrative processes. Two initiatives undertaken in 2000 relate to the Agency's new financial system and the processes involved in the production of documents/publications within the recently created Division of Conference and Document Services.

### **Co-ordination of Information Technology/Information Management**

The Secretariat is aware that it must fully exploit the promise of the information age to bring the benefits of its programme to its constituents. In this connection, the Director General approved in 1999 the establishment of a Task Force on Information Technology (TFIT) to make recommendations to ensure a consistent strategy and approach to Information Technology (IT) in the Secretariat and optimum utilization of the human resources assigned to the centralized and decentralized IT functions and services. This Task Force set out to identify an IT structure that would: facilitate the sharing of databases throughout the Secretariat and avoid duplications, and define resource requirements for the various IT functions and services, with particular emphasis on human resources and allowing for a maximum of standardization.

Additionally, the possibility of synergies through the merging of telecommunications and information technology functions was examined. And, the TFIT identified economies of scale which could be achieved if functions in the area of IT training, procurement and inventory were consolidated with similar functions elsewhere in the Secretariat.

Certain recommendations of the TFIT report are being implemented, while others are in the process of being validated by an external expert prior to final decision by the Director General.

### **Delegation of Authority**

In 1998 senior management began working on a plan to delegate decision making authority to the level where the greatest knowledge and judgment reside. This process has

resulted in the re-delegation of nearly 75 authorities. Work continues on identifying other areas for streamlining.

### **Clearance Procedures**

In response to growing concerns regarding clearances and approvals for external communications, the Secretariat revised the procedures for governing body documents, publications, formal outgoing communications and public statements. By streamlining internal procedures, the Secretariat is now in a better position to deliver quality documentation in a timely manner.

### **V. CONCLUSION**

The Director General's initiatives to improve the Secretariat's management processes lie within the common framework of the new approach to programme and budget formulation and implementation, moving from a concentration on the delivery of 'outputs' (publications, databases, meetings) to the planning and evaluation of 'performance' or 'outcomes' (i.e. actual impact or results in Member States). The combination of internal management improvements and a more results based programme approach will ensure that the Agency is clear in its priorities and that it efficiently and effectively meets Member State needs.